Expanded Access to Medicare Advantage for Individuals with End-Stage Renal Disease in 2021

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BETTER MEDICARE ALLIANCE

Key Facts:

- Over 37 million people have Chronic Kidney Disease (CKD). Over 520,000 of those people have End Stage Renal Disease (ESRD) and undergo renal dialysis.
- Most Medicare beneficiaries with End Stage Renal Disease (ESRD) currently are required to receive coverage through Traditional Fee-for-Service (FFS) Medicare.
- Starting in January 2021, all Medicare beneficiaries with ESRD will be allowed to enroll in Medicare Advantage.

BMA's Recommendations:

CMS should monitor enrollment and cost to ensure that Medicare Advantage plans are paid adequately to cover the care necessary for those with ESRD and continue to incentivize innovations in care delivery to improve care for all those with ESRD and Chronic Kidney Disease.

Background

In addition to individuals age 65 and older and people with disabilities, Medicare covers people with End Stage Renal Disease (ESRD), also known as kidney failure. ESRD, also known as stage 5 of CKD, occurs when an individual's kidneys permanently stop functioning. Unless they can receive a kidney transplant, people with ESRD undergo dialysis, typically several times a week. In 2019, over 520,000 people were treated for ESRD through renal dialysis, with an additional 220,000 who received a kidney transplant.

Currently, most beneficiaries with ESRD receive coverage through Traditional FFS Medicare. Some can enroll in Medicare Advantage under limited circumstances and beneficiaries who develop ESRD while enrolled in a Medicare Advantage plan can retain their coverage.

As required by Congressional action, starting in 2021, all ESRD beneficiaries will have the option to enroll in Medicare Advantage, even after diagnosis. Medicare Advantage is well-suited to provide ESRD beneficiaries with coverage due to its annual out-of-pocket limit for consumers, supplemental benefits, and ability to coordinate care.

How Payment for ESRD in Medicare Advantage Beneficiaries Works

Medicare Advantage plans are paid a capitated, per-beneficiary amount based on Traditional FFS Medicare spending at the county level while payment for ESRD patients is set at the state level.

In response to rules proposed by the Centers for Medicare and Medicaid Services (CMS) for those with ESRD to enroll in Medicare Advantage, advocates asked for a change to county-based rates to accommodate geographic variation in cost within states to ensure accurate payment. However, CMS did not make the requested change and finalized the rule using the statewide methodology.

Network Adequacy in Medicare Advantage

Medicare Advantage plans are required to meet strict network standards to ensure beneficiaries' access to care. Medicare Advantage plans are required annually to verify or attest that their network meet specified requirements, including that there are enough providers within a certain time and distance standard for a specified percent of beneficiaries in the service area. This is done through the submission of network files or an attestation to CMS.

CMS made changes in the Final Rule to broaden network adequacy requirements for Medicare Advantage plans. Beginning in 2021, CMS will reduce the time and distance standard by 10 percent to allow for the use of telehealth services in certain specialties. The provider specialties eligible for this credit are: Dermatology, Psychiatry, Cardiology, Otolaryngology, Neurology, Ophthalmology, Allergy and Immunology, Nephrology, Primary Care, Gynecology/ OBGYN, Endocrinology, and Infectious Diseases. This change expands use of telehealth to better ensure access to these specialties, particularly in rural and underserved areas

In addition, CMS removed outpatient dialysis facilities from the list of providers subject to network adequacy standards. Medicare Advantage plans will be required to attest to CMS that their provider networks meet the established standards in providing accessible outpatient dialysis services to beneficiaries in the service area. This change allows plans to innovate in ways dialysis is provided, including home dialysis, mobile units, or outpatient facilities available at hospitals.